Course Syllabus

ECON 4660—History of Economic Thought

Professor: E. Anthon Eff
Class: BAS S128 (BAS N218) • Mondays 6pm – 9pm
Office and Hours: BAS N308 • MWR 10:00am – 12:00pm (or by appointment)
Phone: 616.898.2387 (office) • 615.898.2520 (Economics and Finance Department)
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Mission of the Jones College of Business:
The mission of the Jones College of Business is to:

- Foster student success in a large business school with a small school feeling created by caring, professional faculty and staff interacting with students as individuals, in small classes, through proactive student organizations, and in a broad range of other settings, with students’ needs constantly of prime consideration;
- Provide career opportunities to our students by capitalizing on our extensive alumni network—82 percent of Jones College graduates live and work in Middle Tennessee; and
- Cultivate an international perspective among students that enables them to contribute to and succeed in the global marketplace.

We will produce graduates from our bachelor, master, doctoral, and executive and continuing education programs who are prepared for challenges and advancements in their chosen careers.

Hope (Lottery) Scholarship Information:
Do you have a lottery scholarship? To retain Tennessee Education Lottery Scholarship eligibility, you must earn a cumulative TELS GPA of 2.75 after 24 and 48 attempted hours and a cumulative TELS GPA of 3.0 thereafter. You may qualify with a 2.75 cumulative GPA after 72 attempted hours (and subsequent semesters), if you are enrolled full-time and maintain a semester GPA of at least 3.0. A grade of C, D, F, FA, or I in this class may negatively impact TELS eligibility. Dropping or stopping attendance in a class may also impact eligibility; if you withdraw from or stop attending this class and it results in an enrollment status of less than full time, you may lose eligibility for your lottery scholarship. Lottery recipients are eligible to receive the scholarship for a maximum of five years from the date of initial enrollment, or until reaching 120 TELS attempted hours or earning a bachelor degree. For additional Lottery rules, please refer to your Lottery Statement of Understanding form (http://www.mtsu.edu/financial-aid/forms/LOTFOD.pdf) or contact your MT One Stop Enrollment Counselor (http://www.mtsu.edu/onestop/counselor.php).
Reasonable Accommodations for Students with Disabilities:
Middle Tennessee State University is committed to campus access in accordance with Title II of the Americans with Disabilities Act and Section 504 of the Vocational Rehabilitation Act of 1973. Any student interested in reasonable accommodations can consult the Disability & Access Center (DAC) website www.mtsu.edu/dac and/or contact the DAC for assistance at 615-898-2783 or dacemail@mtsu.edu. ADA accommodation requests (temporary or permanent) are determined only by the DAC. Students are responsible for contacting the DAC to obtain ADA accommodations and for providing the instructor with the Accommodation Letter from the DAC.

Course Description and Objectives:
History of Economic Thought is a seminar course, examining the development of economic thought from the time of Aristotle to the mid-20th century. The goal of the course is to learn something about how and why economic thought has changed, in order to gain insight into the ways in which economic thought is currently evolving. In order to understand how and why economic thought changes, one must understand something about the sociology of science and about the context in which the thinkers of the past lived.

A seminar format is typical for advanced courses in history, literature, or philosophy. A successful seminar is one in which the instructor never lectures, but merely participates in a semester-long discussion with the students. The seminar format puts a burden on students to find materials, to come to each class well-prepared, to listen to each other, and to speak concisely.

Prerequisites:
Students who do well in this course feel comfortable speaking in English, and have some prior knowledge of European History. The course assumes the student knows economics at least at the principles level.

Grading:
We will have an early final exam, on December 1, consisting of essay and short answer questions. The exam will count for 40% of the semester grade; 25% will be based on a short term paper, and the remaining 35% will be based on a peer evaluation of your class performance throughout the semester. The peer evaluation will conducted on December 8 immediately after the presentation of the term papers.

Course Materials:

Presentations:
Each student will make a presentation every class period except for the first day and the day of the final exam. You will be paired with at least one other student, and will present your findings jointly. Presentations typically focus on a single person, who made some contribution to the development of economics. For each presentation, prepare one or two pages of information and make copies to hand out to the class. The page should include:

1) Basic biographical information. Try to help us see this thinker as a person.
2) A brief statement sketching the particular views espoused by this person, particularly with regards to economics.

To locate material for presentations, start with Spiegel, using the index. There are some excellent websites. Wikipedia is often a good starting point. Google Scholar (http://scholar.google.com) is a great resource for identifying good journal articles.

Term Paper:
For the term paper topic, most students choose to present the salient features of one economic thinker’s life and thought, but other topics related to the history of economic thought are also acceptable. Each student must clear a term paper topic with the instructor by November 24, at the latest. The paper should be between four and eight pages long (12 point Times New Roman font, double-spaced, 1-inch margins). You need at least three references: Spiegel should
be one of these, and the other two should be published journal articles (tip: use Google Scholar). Beware of plagiarism.1

Every idea that is not 100% your own should be referenced within parentheses like this: (Veblen 1898: 23-24). A good paper will average about two references per paragraph. The bibliography should list every source mentioned in the text. You will be asked to present your paper to your classmates on December 8, in a presentation that will last about five minutes.

**Schedule:**

The final exam will take place November 30, from 6:00 to 8:00 in BAS S128. We will have 14 class meetings this semester. One class meeting will be devoted to the final (November 30), and one class meeting will be used to discuss the term papers (December 7). The following outline presents the material covered in the 12 remaining class meetings. Items under the heading "Additional Readings" are not required, unless otherwise stated in class.

1. **Perspectives on the Philosophy, History, and Sociology of Science.**

   Spiegel: xiv-xxviii.

   Additional Readings:


   Eff, E. Anthon. 2007. *Introduction to History of Economic Thought*. Handout for graduate History of Thought course: ([Link](#))

2. **Aristotle, the Bible, and Medieval Economic Thought.**

   Spiegel: Chapters 1-3

   Additional Readings:

   Aristotle. *Nicomachean Ethics* (Book V) and *Politics* (Book I: "Theory of the Household")


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1 Friendly warning: If you don’t know what plagiarism is, please check the link on the course website or discuss it with me. Paraphrasing an article or website—even if you provide the correct citation—is plagiarism. The grade for a plagiarized paper is ‘0.’

Presentations:
Aristotle Pagan Economics Thomas Aquinas
Buddhist Economics Hindu Economics Confucian Economics

3. Endemic European Warfare: Mercantilists and Cameralists

Spiegel: Chapters 4-5

Additional Readings:


Presentations:
Niccolo Machiavelli Gerard de Malynes Jean Bodin
Martin Luther Edward Misselden Jean Baptiste Colbert
John Calvin Thomas Mun

4. Late Mercantilism: Measurement and the Beginnings of Liberalism

Spiegel: Chapters 6-7

Presentations:
Francis Bacon Josiah Child
William Petty John Locke
Charles Davenant Dudley North

5. The Context of the Enlightenment

Spiegel: Chapters 8-9

Presentations:
Jean Jacques Rousseau Anne Robert Jacques Turgot John Law
Pierre le Pesant de Boisguilbert Ferdinando Galiani Richard Cantillon
James Steuart David Hume Francois Quesnay

6. Adam Smith

Spiegel: Chapters 10-11

Presentations:
Adam Smith Francis Hutcheson
Bernard Mandeville Jean-Baptiste Say

7. British Classical Political Economy after Adam Smith

Spiegel: Chapters 12-16

Presentations:
Thomas Malthus Jean Charles Leonard de Sismondi Marquis de Condorcet
William Godwin James Mill Francis Place
David Ricardo Henry Thornton James Maitland, Earl of Lauderdale
Jeremy Bentham John Stuart Mill Henry Carey
William Nassau Senior Edward Gibbon Wakefield John Rae
John Ramsey McCulloch Frederic Bastiat Thomas Tooke
Robert Torrens
8. The German Historical School and The English Historical School

Spiegel: Chapters 17-18

Additional Readings:
New Palgrave: "Methodenstreit."

Presentations:
Richard Jones  Friedrich List  Gustav von Schmoller
T.E. Cliffe Leslie  Wilhelm Roscher  Werner Sombart
Walter Bagehot  Edmund Burke  Max Weber
Thorold Rogers

9. Socialism

Spiegel: Chapters 19-21

Presentations:
Robert Owen  Charles Fourier  Karl Rodbertus
Charles Hall  Pierre-Joseph Proudhon  Louis Blanc
William Thompson  Henri de Saint-Simon  Henry George
Thomas Hodgskin  Felicite de Lamennais  Auguste Blanqui
John Bray  Ferdinand Lassalle  William Morris
Charles Kingsley  The Fabians  Michael Bakunin

10. Marx and American Institutionalism

Spiegel: Chapters 26-28

Presentations:
Karl Marx  Clarence Ayres  John Kenneth Galbraith
Thorstein Bunde Veblen  John Rogers Commons  Wesley Claire Mitchell

11. Neoclassical Economics

Spiegel: Chapters 22-25

Additional Readings:

Presentations:
William Stanley Jevons  Vilfredo Pareto  Carl Menger
Francis Ysidro Edgeworth  Alfred Marshall  Leon Walras
John Bates Clark

12. Monetary and Income Analysis

Spiegel: Chapters 26-28

Presentations:
Gunnar Myrdal  Joseph Schumpeter  Irving Fisher
Knut Wicksell  John Maynard Keynes  Friedrich A. von Hayek
The peer evaluation, filled out at the end of the last class (December 7), will look like this.

Your name: ______________________________________ Please rank yourself and your fellow students. Ranks run from 1 to 16: 1 would be the appropriate rank for the student that helped you learn the most in this class; 16 would be appropriate for the student whose presentations, assistance as group member, or discussion were least helpful. No ties are allowed. Please also put a letter grade next to the rank (pluses and minuses allowed). For details on the methodology, please refer to http://www.economics-finance.org/jefe/econ/Effpaper.pdf.

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The final exam: The final exam (November 30) will contain two essay questions (40 points each) and twenty short answer questions (one point each). One week before the exam, I will give four essay questions to the class; two of these (my choice) will appear on the final. The material comes from the Spiegel book and from class discussions. Below are nine questions that I have used in the past for this class, as well as ten sample short-answer questions. These might not be used this semester, and are given just to give you a sense of the kinds of questions I might ask.

1. Aristotle and St. Thomas Aquinas can be seen as conservatives resisting the encroachment of a market economy. Discuss the work of these men from this perspective, telling me something about the world they were defending, and the evils of markets, as they saw it.

2. Discuss the reasons for the shift from medieval Christian views of the economy to mercantilist views. What were the main features of these two views?

3. Deism can be seen as the religious underpinnings of much Enlightenment thought, including the ideas of Adam Smith. Describe the main features of Deism and the way these manifest themselves in Adam Smith's work.

4. We discussed at least two major shifts in economic thought: the shift from Medieval Christianity to Mercantilism, and the shift from Mercantilism to Liberalism. Discuss the most important changes in each shift. What were some of the economic and cultural factors which precipitated these shifts?

5. Ideas not only have to be “right,” they also have to “catch on.” Discuss the factors which influence whether or not an idea catches on. Try to be as comprehensive as possible. Use examples from the evolution of economic thought to illustrate these factors.

6. In a number of places, H.W. Spiegel points out a strange phenomenon: important innovations in economic theory are often simultaneously created by different people, each working in ignorance of the other. Give a few examples of this phenomenon. What do you think accounts for simultaneous invention?

7. Write an essay on how utilitarianism and the concept of utility have shaped the evolution of economics. How does utilitarianism fit into the transition from Mercantilism to Liberalism? How does utilitarianism fit into the transition from Classical political economy to Neoclassical economics? Discuss briefly the role of Francis Hutcheson, Adam Smith, Jeremy Bentham, William Stanley Jevons, Carl Menger, Alfred Marshall, and Vilfredo Pareto.

8. Socialists are a heterogeneous lot. Compare (showing differences and similarities) at least three thinkers or schools of thought we discussed during the two class sessions on socialism. Describe how each of these socialists may have been influenced by the particular intellectual, political, and social currents of their time. What lasting influence did each of these socialists have?

9. Over the last 200 years, economics has steadily become more abstract, and this tendency toward abstraction has periodically been resisted. Discuss the origins of and reasons for increased abstraction, and explain how increased abstraction is related to the expanding use of mathematics. Discuss some of the schools in economic thought which opposed abstraction. What did these schools advocate? Be sure to explain what is meant by the Methodenstreit. Where do you stand on this controversy?

Ten sample short answer questions. For most of these, an answer of one or two words would suffice; for a few, one might need as many as three sentences. Each answer will be worth one point.

1) During what decade did Adam Smith write Wealth of Nations?
2) In what decade did John Maynard Keynes publish his most important book?
3) Name one economist credited with founding the Neoclassical School.
4) Of what nationality were Adam Smith and David Hume?
5) Of what nationality were Carl Menger and Joseph Schumpeter?
6) Of what nationality were John Bates Clark and Irving Fischer?
7) Of what nationality were Knut Wicksell and Gunnar Myrdal?
8) Was Thomas Mun influenced by Adam Smith? Why or why not?
9) Which economist developed general equilibrium theory?
10) Which economist is often credited with starting economics down the path of abstract, deductive science?